Property bought by NRIs

3359. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) whether Non-Resident Indians can buy agricultural land in the country;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the number of NRIs who have bought property in India and the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) Does not arise.

(c) It is the policy of Government to permit only Resident Indians to buy agricultural land in the country

(d) Does not arise since under the prevailing Exchange Control Regulations of RBI, NRIs are not allowed to buy agricultural landed property.

Public issue of Essar Oil Limited

3360. SHRI DILIP SINGH JUDEV: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the recently concluded public issue of Essar Oil Limited for raising funds for setting up of Refinery in the Private sector;

(b) whether it is a fact that Chanderias have invested millions of dollars in the equity share holding of the Company;

(c) whether the antecedents of Chanderias have been established by the Financial Institutions before committing funds for the project;

(d) whether it is a fact that Promoters of Essar Oil Limited have floated two companies namely, Essar Gulf and Essar Projects for procurement of imported and indigenous materials for the projects respectively;

(e) whether it is a fact that these two newly floated Companies have no expertise in the respective fields and yet they have been paid advance of 15 per cent from out of funds actually belonging to ICICI, IDBI and IFCI;

(f) whether it is also fact, that these funds have ultimately found way as the promoters equity in Essar Oil; and

(g) whether Government would initiate a thorough probe in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) According to the information provided in the prospectus, M/s. Prime Finance Company Limited, a Company belonging to the Chanderias of Comcraft Group, Switzerland alongwith other Non-resident Indian investors have contributed Rs. 261.99 crores out of the total promoters' contribution of Rs. 600 Crores.

(c) As part of the normal appraisal procedures the financial institutions had verified the credentials of the Chanderias.

(d) As disclosed in the prospectus, M/s. Essar Gulf Fze is a company based in the U.A.E., incorporated in 1993, and has entered into a contract with M/s. Essar Oil Limited for supply of imported equipment. M/s. Essar Projects Limited, incorporated in 1990, has entered into a contract with M/s. Essar Oil Limited for supply of indigenous equipment.

(e) and (f) M/s. Essar Projects Limited was established in 1990 and the operating results of the company for the last four years have been disclosed in the prespectus. No disbursements were made by the financial institutions before the promoters' contribution was brought into M/s. **Essar Oil Limited.**

(g) Does not arise.

Insurance of Automobiles

3361. SHRI INDER KUMAR GUJRAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have reviewed recently the law governing insurance of automobiles; if so, with what results;

(b) whether it is a fact that the vehicle owners, in case of loss of theft of vehicle, are required to wait for a minimum period of three months as provided in the Insurance Law before their claims are considered; and

(c) whether, in the wake of liberalisation, Government propose to review the provision with a view to provide for immediate compensation in case of theft of vehicles and fix a reasonable period for settlement of such claims as also for settlement of other claims arising out of insurance policies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The Government had recently made substantial amendments in the Motor Vehicles Act, 1939. These amendments have become effective from 14-11-1994. Few important amendments are as under:—

(1) With a view to expedite the compensation to the road accident victims and also to evolve a uniform quantum of compensation, a structured formula, based on age and income of the victim, has been evolved.

(2) The amount of compensation to road accident victims on the principle of 'No Fault' liability has been doubled.

(3) The amount of compensation to the victims of hit and run cases has been raised to Rs. 25,000/- in case of death and Rs. 12,000/- in case of grievous hurt.

(b) and (c) There is no law stipulating the minimum waiting period of three months for the settlement of the claims of vehicle onwers. The General Insurance Corporation of India (GIC) have reported that these claims are settled immediately after all the documents including final investigation report are received by the Insurance Companies. In case all documents are received except final investigation report, then 75 per cent 'On-Account' payment is made to the victim, by them.

Assistance offered by South Korea

3362. SHRI HIPHEI: Will the Minister of FINANCE be pleased to state:

(a) whether Government of South Korea has offered official Development Assistance for infrastructure projects in December, 1994;

(b) if so, the details thereof with terms of such assistance;

(c) whether Government have taken any initiative in this regard; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) to (d) Do not arise.

Nominee Directors of SEBI

3363. SHRIMATI RENUKA CHOWDHURY: Will the Minister of FINANCE be pleased to state: